

Utah

County

January-June
2001

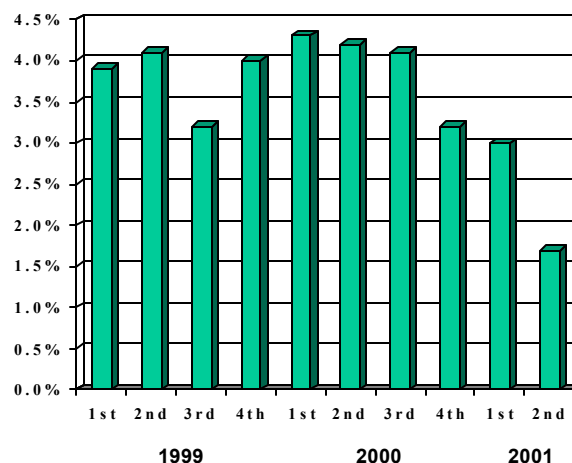
Things can change in a hurry if you're not paying attention. That's just what happened to the national economy, and Utah County is no different. The economic climate slowed rapidly in the first half of 2001, going from respectable to modest. For the first quarter of 2001, the county's businesses expanded their employment base by 3.0 percent, a year-over increase of over 4,500 positions. By the second quarter, growth had fallen to just 1.7 percent, an increase of only 2,600 year-over positions. These are changes that occurred before the September 11th terrorist attacks, which put a real damper on the U.S. economy. In times past, Utah has dodged national economic downturns, but not this time. The powerful economic expansion that endured in Utah for more than a decade has finally ended.

Just a Business Cycle

But the end of a business cycle is not the end of the world. After all, they are called cycles because these expansions and contractions are normal phenomenon in the economic world. A free-market economy such as ours has

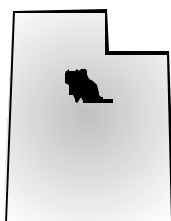
Continued on page 3.

Utah County Year-Over Growth in Nonfarm Jobs



Economic Newsletter

Published December 2001



inside

Just the Facts	2
Economic Events	7
Indicators	10
Construction Permits	11

Taxable Sales	13
NAICS	14
Employers' Corner	16

Just the Facts

	1st Quarter		Percent	2nd Quarter		Percent
	2001	2000	Change	2001	2000	Change
Unemployment Rate	2.8%	2.7%		3.2%	2.6%	
Nonfarm Jobs	154,344	149,805	3.0%	153,969	151,329	1.7%
Total Construction (000s)	\$203,983.8	\$155,173.0	31.5%	\$259,206.7	\$211,857.1	22.3%
New Home Permits	1,088	862	26.2%	1,388	1,098	26.4%
Taxable Sales (000s)	\$984,082.0	\$930,822.5	5.7%	\$1,078,198.9	\$1,029,453.8	4.7%



Summary

- Utah County's economy began a noticable slowdown in the first half of the year 2001.
- Unemployment rates remain low—at 3.2 percent—but they are creeping upward.
- Year-over job growth slowed from 3.0 percent for the first quarter to 1.7 percent in the second quarter.
- The goods-producing sector - mining, construction, and manufacturing - slowed sharply.
- Construction is holding steady, but manufacturing employment growth is coming to a standstill.
- Services is still the county's growth leader, but its rate of growth is also slowing rapidly.
- For the first quarter, services added over 2,300 year-over positions. By the second quarter, services was only adding around 900 year-over positions.
- Education and health care are driving the services gains, while the computer industry has lost close to 1,000 positions.

its adjustment periods. Boom times often produce economic excesses and inefficiencies that are unsustainable. Thus, adjustments are made. These adjustments can be hard on the individuals that are impacted, but when looking at the overall picture, economic downturns provide the catalyst for efficiencies to be injected back into the economy. This lays the foundation for the next expansion phase of our economic evolution.

nonfarm jobs

The Utah County economy has reached an employment level around 154,000. About 80 percent are employed in service-producing businesses, such as health care, education, and government. The other 20 percent are in goods-producing businesses; mining, construction, and manufacturing. Both areas are still showing expanding employment, with goods-producing up 1.0 percent, and service-producing up 2.0 percent. But goods-producing showed the most pronounced slowing between the first and second quarters, falling from 4.7 percent growth to 1.0 percent. Service-producing only fell from 2.7 percent to 1.9 percent.

manufacturing's change

The sharpest drop on the goods-producing side is manufacturing. Micron Technologies is a bright spot, adding over 700 new employees over the year. But there are losses in too many other areas that counteract this, including steel production, fabricated metals, medicines, and printing and publishing. Overall, manufacturing went from showing a 1,000-employee gain in the first quarter to only a 60-employee gain by the second quarter. In light of this rapid decline, this industry is moving toward a declining employment situation for the second half of 2001.

constructive thought

Construction is still holding its own, with employment gains in each quarter over 200.

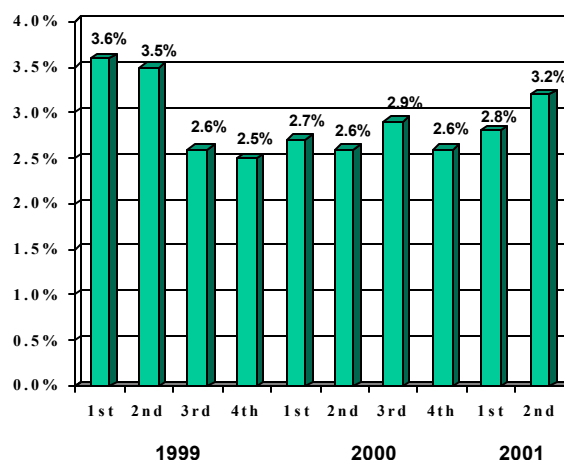
There is some decline in home-building employment, but it is countered by gains in heavy construction. The special trades, like plumbing and electrical work, are still operating on the positive side.

serving you

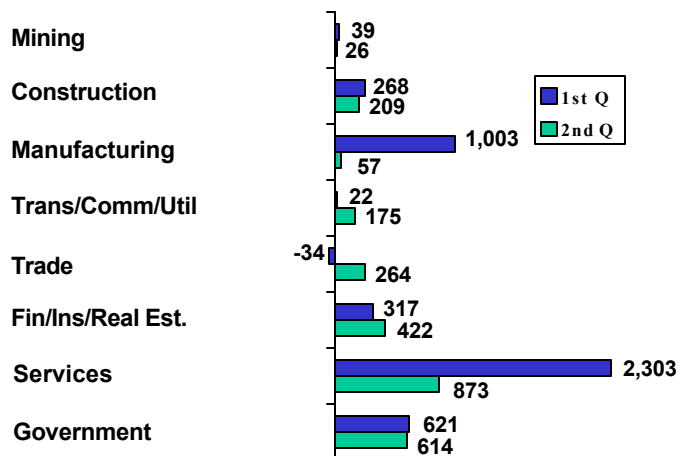
The largest growth in the economy, as usual, is found within services — a division within the service-producing sector. This area is the growth leader, but even it felt a sharp drop as the first half of 2001 unfolded. In the first quarter, services growth was 3.8 percent, an increase of over 2,300 positions. By the second quarter, its growth had slowed to 1.4 percent, an increase of only 900 positions. The biggest factor, between the first and second quarters, is the collapse of the computer industry. In the first quarter, this industry's employment had just barely slipped onto the negative side. By the second quarter, the losses had mushroomed to over 900 jobs.

The technology sector is the reason for the national slowdown, as the "false economy" that it operated under in the previous three years was finally exposed. Many dot.com's were operating at a loss, never once earning a profit. Now these weak players are being driven out in-mass, and it will be a while before the technology sector recovers from this false euphoria. The technology itself is good; it was

Utah County Unemployment Rates



Utah County Nonfarm Job Growth: 2000-2001



the financing and management of these industries that was bad. Utah County has its share of technology-based industries, so it will feel the pinch accompanying this downturn.

public sector

One area of consistent growth is the government. This may upset some people, as there are many who fear bigger government, but rest easy; this is being fueled by the education sector. Whether it be the state government, through Utah Valley State College, or local governments, through Alpine, Nebo, and Provo school districts, the growth is centered upon education. Don't expect this to change anytime soon, as population growth is one constant in Utah County. There is a saying that nothing is constant, but about the closest you can get to constant is population growth in Utah County.

slowing leader

The financial sector is doing well in Utah County, adding over 400 new year-over positions. Finance is not a particularly large sector in Utah County, employing close to 5,000 workers, but mortgage companies, banks, investment firms, and real estate companies are expanding.

trade grade

What about trade? This is a large employment sector, having close to 34,000 jobs in Utah County. Currently, this sector isn't doing much. There was virtually no growth observed here during the first quarter. In the second quarter, things picked up slightly as around 260 new year-over jobs were recorded. Trade is divided into two categories — wholesale and retail. The retail side is experiencing modest gains, led by restaurants and department stores. Wholesale, on the other hand, is losing employment, largely through the transfer of Intel employees from Utah County to Salt Lake County.

construction

Things are still looking strong in terms of the construction picture in Utah County. The value of authorized construction permits in both the residential and nonresidential construction sides rose. Residential valuation totaled \$322.2 million, a 29-percent year-over gain. Nonresidential valuation rose 19 percent to \$90.1 million.

home territory

Residential approvals include 2,476 units — 1,833 single-family homes (more than Salt Lake County), 70 twin-homes, 388 condominiums, and 175 apartments. Provo approved the most new dwelling units, 404, with much of it being apartment units. Residential approvals were also strong in Spanish Fork, Lehi, and Eagle Mountain, although Eagle Mountain's approvals were lower than last year.

nonresidential

As mentioned, nonresidential valuation also increased, rising to \$90.1 million. Some of the major projects approved in the first half of the year include a \$9.5-million hospital building and an \$8.6-million university building in Provo, and several office buildings totaling \$4.8 million.

sales

Taxable sales, a barometer of consumer spending, were up 5.2 percent in the first half of 2001, a pretty good performance. If we look at the individual quarters, there is a slight movement downward. In the first quarter, sales were up 5.7 percent. By the second quarter, sales had slowed slightly, rising by 4.7 percent. But either one paints viable growth.

retail

As retail sales account for a large percentage (around 60 percent) of total taxable sales, this is the area to focus upon. It's interesting to note that taxable sales' growth is lower on the retail-sales side than the overall picture. Sales growth for the two quarters of the first half is 3.8 and 1.9 percent respectively. Department stores and auto dealers are showing sales gains, but food stores, furniture stores, and building and garden stores experienced sales declines.

what's selling?

So if overall sales are up over 4 percent, but retail sales are below 3 percent, then what is pushing the sales growth up? It turns out it's in the electric and gas industry. Sales in this industry are up by 55 percent, or \$43.8 million. The Utah State Tax Commission's report, from where this information is gathered, does not elaborate upon what are the reasons for sales growth, only that sales grew in particular industries. So the reason behind the large electric and gas industry sales gains in Utah County cannot be determined from this report.

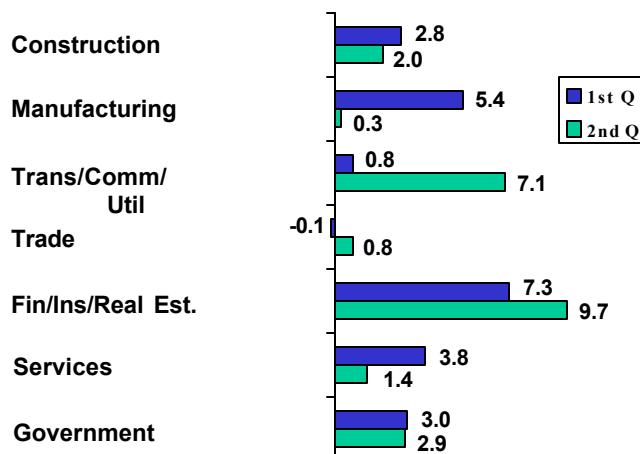
finish

The economic picture is slowing, nationally and in Utah. The national economy began slowing in late 2000. Utah's economy didn't show signs of slowing until the first quarter of 2001. In the past, a national economic slowdown didn't necessarily translate into a Utah economic slowdown. Look, for example, at the 90-

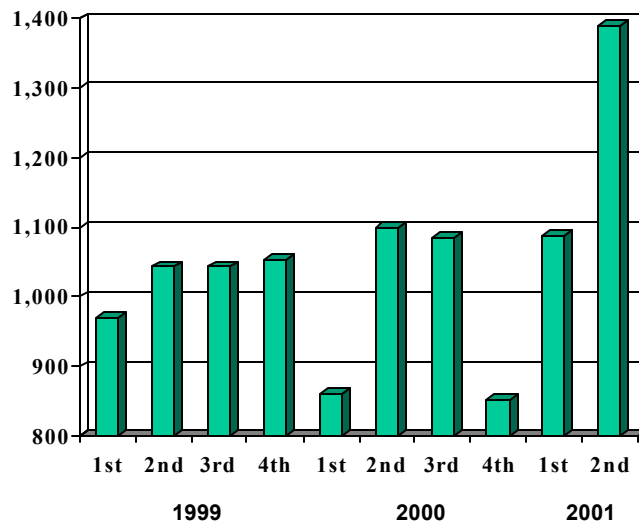
91 recession which left Utah untouched. But not this one. It appears that all areas of the United States are struggling. This is a technology-induced slowdown, the first in the new information age, and it shows how pervasive technology has become to this nation's economic wellbeing. So we're just getting started with this slowdown, which begs the question: how long will it last? Economist's opinions are as varied as the wind, but it does appear that this slowdown will last at least into mid-year 2002.

Mark Knold
Regional Economist
801/526-9458
mknold@ws.state.ut.us

Utah County Nonfarm % Job Growth: 2000-2001



Utah County Residential Construction Approvals



Economic Events

- Novell announced that it would cut 1,400 jobs from its corporate-wide network, with only 120 positions being lost at the company's headquarters in Provo. The company cited an overall weakness in the information technology market and an oversupply of IT consulting services. (The Salt Lake Tribune, 11/16/01)
- In the face of its inability to stem the tide of financial losses, Geneva Steel announced that it will shut down its operation, idling close to 1,200 workers. The company will place the coke ovens in a "hot idle" mode, anticipating that business will rebound and operations can be resumed in mid-2002. Geneva recently emerged from Chapter 11 bankruptcy protection, but chose to shut down instead of filing for a second round of bankruptcy protection. (The Salt Lake Tribune, 11/15/01)
- In 1994, the Fingerhut Corporation built a 1.4-million square-foot distribution center at the mouth of Spanish Fork Canyon. Designed to be the company's western distribution center employing 500 workers, it never developed into such a tool. Recently, the company was contracting out parts of the building to third parties needing a distribution center. However, those contracts have been eliminated and Fingerhut's parent company, Federated Department Stores, has hired a Chicago real estate firm to find a buyer for the facility. The distribution center cost \$70 million to build and is the size of 24 football fields. (Deseretnews.com; 10/30/01)
- Financially-beleaguered Geneva Steel joined with most of the U.S. Steel industry in claiming that its operations are being harmed by cheap foreign imports backed by unfair business practices. An appeal to the U.S. Trade Commission recently resulted in that commission's agreement. What actions will come from this ruling are yet to be determined, but Geneva Steel has been relying on this ruling to help its financial picture. The question is: has it come in time? (Harktheherald.com; 10/23/01)
- Payson City is joining with Questar Energy Trading Company and Utah Associated Municipal Power Systems to build a \$90-million, 128-megawatt power plant in town. The new facility will go near the power and sewer treatment plants on the city's north side. The state-of-the-art natural gas and steam-powered plant is still in the design phase and is expected to be online by March 2004. Ground should be broken next spring. (Deseretnews.com; 10/22/01)
- In the face of a slow economy, NuSkin is thriving. The recent shift in its corporate strategy appears to be paying dividends. In mid-January, NuSkin's stock hit a low of \$4.25 per share. Recently, the stock hovered around \$8, with NuSkin's returns in the 20 to 35 percent range. The S&P 500, on the other hand, is in the red; down 20 to 30 percent. (The Salt Lake Tribune, 10/14/01)

- The American Fork City Council gave its approval for a large shopping center, to be located west of U.S. 89 and Pacific Avenue. The council created a 175-acre special improvement district to service "The Meadows," and the city has agreed to bond for \$3.5 million to build roads, sewer, water systems, and sidewalks. Lowe's Home Improvement and Super Wal-Mart will be among the first businesses. (Deseretnews.com; 10/12/01)
- Lehi-based NextPage has received \$13 million from venture capital investors, an impressive vote of approval from investors made skittish by the technology slump. Since its establishment in 1999, the company has raised \$49 million from investors. The company's goal is to be profitable by the first half of 2002. NextPage "peer-to-peer" software lets businesses open their computer networks to customers and suppliers who need real-time information. (The Salt Lake Tribune, 10/9/01)
- Two Utah County developers are working together to plan a \$75-million mixed-use community in Lehi just east of I-15. Pheasant Pointe is planned as a 624-unit development on 52 acres, consisting of 228 condos, 218 town-homes, 144 apartments, and 34 single-family homes. The plan must face approval from the Lehi City Council. (The Enterprise, 10/8/01)
- With the backing of \$4.2 million in venture capital from a Baltimore, Maryland venture capital provider, Provo-based English Language Learning Instruction System (ELLIS) will expand its overseas operations. ELLIS is projecting that its sales will expand to \$26 million in 2002, and the Utah staff of 50 is expected to double. The company is a provider of interactive and multimedia English training software. (The Enterprise, 10/1/01)
- Thanksgiving Point announced plans for an ambitious retail center of 1.2 million square-feet. The retail complex will be split between two sites. The first is the 780,000 square-foot Port of Utah, with shops, restaurants, food court, theater, and aquarium set around a meandering 3,200-foot canal and walkway. The second is The Pointe at Lehi, which will be more of a mall atmosphere, having three spaces for large retailers. The project is estimated at \$105 million and is scheduled for completion by the end of 2003. (The Salt Lake Tribune, 9/21/01)
- Software maker Caldera International Inc. said Tuesday it has laid off 51 employees — 11 in Utah — as it tries to trim costs and become profitable. The company also said it will consolidate unused buildings in Orem and Santa Cruz, Calif., and streamline product lines. (Harktheherald.com, 9/18/01)
- The city of Orem will spend nearly \$12 million in the next two years building and renovating recreational facilities, including a swimming pool, fitness center, and several parks. Taxes will not be raised as the money will come from the lease of cell phone towers throughout the city. (The Deseret News, 9/14/01)
- The new \$24-million Provo Library at the restored historic Academy Square was dedicated on September 8. (The Salt Lake Tribune, 9/9/01)

- The Provo City Council approved \$2.3 million for capital improvements to the Provo municipal airport. About \$1.9 million will come from federal sources. (The Salt Lake Tribune, 9/6/01)
- Utah County is adding a second office building to the county complex at 100 South University Avenue. Commissioners have authorized a \$21-million revenue bond to finance the 90,000 square-foot building. (The Deseret News, 8/29/01)
- Thanksgiving Point has ambitious expansion plans. To accommodate this, Lehi City has signed off on a "resort zone" status for the resort, meaning less red tape to get expansion work approved and done. Thanksgiving Point has grown into the state's largest resort, boasting the largest golf course in the state – 205 acres, a 55-acre botanical garden, dinosaur museum, super-screen theater, and a business park. Currently being built is a 1,000-seat auditorium shaped like a barn, which may be the future home of the Utah County Fair. Other future plans for the resort include a shopping mall south of the museum, more offices and shops, high-end condos and hotels, and a performing arts center. In the past two years, the resort has purchased more than 750 additional acres. (The Salt Lake Tribune, 8/21/01; The Deseret News, 8/18/01)
- Lindon-based Lineo Inc., which makes Linux-embedded operating software, will lay off around 40 Utah employees and spin off some technology. The company currently employs around 120 workers. (The Salt Lake Tribune, 8/8/01)
- San Francisco-based MyFamily.com Inc., with most of its 200-plus employees in Provo, raised \$15 million in additional venture capital. (The Salt Lake Tribune, 7/23/01)
- Provo is working to upgrade its image as a city that is attractive to high-tech business. The mayor is aggressively pushing plans to upgrade the city airport, and the city is also building a fiber-optic ring around the city. On top of that, the mayor proposed a \$120-million budget for 2002, a 19-percent increase. Airport upgrades are needed for commercial flights into the city, which would accommodate companies that would locate corporate headquarters there. The fiber-optic network is designed to keep Provo as a city that can accommodate high-tech companies infrastructure needs. The city will operate this network as a wholesaler and is currently evaluating several communications companies to become their private-sector partner. (Salt Lake Tribune, 7/2/01, 6/8/01, The Deseret News, 6/14/01)

labor market indicators

Utah County

	First Quarter (January-March)				Second Quarter (April-June)			
	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
Civilian Labor Force*	175,397	167,078	5.0	8,319	175,607	168,887	4.0	6,720
Employed	170,471	162,593	4.8	7,878	170,046	164,580	3.3	5,466
Unemployed	4,926	4,485	9.8	441	5,561	4,307	29.1	1,254
<i>Percent of Labor force</i>	2.8	2.7			3.2	2.6		
Total Nonagricultural Jobs**	154,344	149,805	3.0	4,539	153,969	151,329	1.7	2,640
Goods Production	29,453	28,143	4.7	1,310	29,765	29,473	1.0	292
Mining	75	36	108.3	39	69	43	60.5	26
Contract Construction	9,864	9,596	2.8	268	10,628	10,419	2.0	209
Manufacturing	19,514	18,511	5.4	1,003	19,068	19,011	0.3	57
Service Production	124,891	121,662	2.7	3,229	124,204	121,856	1.9	2,348
Trans., Comm., Pub. Util.	2,683	2,661	0.8	22	2,654	2,479	7.1	175
Trade	33,410	33,444	-0.1	-34	33,879	33,615	0.8	264
<i>Wholesale</i>	5,726	5,813	-1.5	-87	5,687	5,918	-3.9	-231
<i>Retail</i>	27,684	27,631	0.2	53	28,192	27,697	1.8	495
Fin., Ins., & Real Estate	4,646	4,329	7.3	317	4,788	4,366	9.7	422
Services	62,685	60,382	3.8	2,303	61,248	60,375	1.4	873
Government	21,467	20,846	3.0	621	21,635	21,021	2.9	614
<i>Federal</i>	1,047	1,123	-6.8	-76	1,109	1,279	-13.3	-170
<i>State</i>	5,699	5,575	2.2	124	5,280	5,166	2.2	114
<i>Local</i>	14,721	14,148	4.1	573	15,246	14,576	4.6	670

* Seasonally Adjusted p = Preliminary

** Detail may not add to total due to rounding; employment covered by Unemployment Insurance laws.

Utah County

Permit-Authorized Construction

	First Quarter (Jan-Mar)			Second Quarter (Apr-Jun)			Semi-Annual Averages		
	2001	2000	Percent Change	2001	2000	Percent Change	2001	2000	Percent Change
Utah County									
New Dwelling Units	1,088	862	26.2%	1,388	1,098	26.4%	2,476	1,960	26.3%
New Residential (\$000)	136,420.7	108,552.4	25.7%	185,803.6	141,891.3	30.9%	322,224.3	250,443.7	28.7%
New Nonresidential(\$000)	47,170.3	30,344.7	55.4%	42,976.6	45,606.5	-5.8%	90,146.9	75,951.2	18.7%
Additions/Alterations/Repairs	20,392.8	16,275.9	25.3%	30,426.5	24,359.3	24.9%	50,819.3	40,635.2	25.1%
Residential (\$000)	4,583.8	4,124.2	11.1%	4,800.6	5,201.7	-7.7%	9,384.4	9,325.9	0.6%
Nonresidential (\$000)	15,809.0	12,151.7	0.0%	25,625.9	19,157.6	100.0%	41,434.9	31,309.3	32.3%
Total (\$000)	203,983.8	155,173.0	31.5%	259,206.7	211,857.1	22.3%	463,190.5	367,030.1	26.2%
American Fork									
New Dwelling Units	28	50	-44.0%	35	52	-32.7%	63	102	-38.2%
New Residential (\$000)	5,004.3	6,087.0	-17.8%	6,060.9	7,686.7	-21.2%	11,065.2	13,773.7	-19.7%
New Nonresidential(\$000)	5,832.3	45.0	12860.7%	1,763.0	890.9	97.9%	7,595.3	935.9	711.6%
Additions/Alterations/Repairs	394.1	226.0	74.4%	15,676.7	918.8	1606.2%	16,070.8	1,144.8	1303.8%
Residential (\$000)	233.6	100.5	132.4%	300.6	201.8	49.0%	534.2	302.3	76.7%
Nonresidential (\$000)	160.5	125.5	27.9%	15,376.1	717.0	2044.5%	15,536.6	842.5	1744.1%
Total (\$000)	11,230.7	6,358.0	76.6%	23,500.6	9,496.4	147.5%	34,731.3	15,854.4	119.1%
Cedar Hills									
New Dwelling Units	33	53	-37.7%	28	63	-55.6%	61	116	-47.4%
New Residential (\$000)	8,884.8	8,253.7	7.6%	7,711.9	13,414.5	-42.5%	16,596.7	21,668.2	-23.4%
New Nonresidential(\$000)	7.9	0.0	na	0.0	1,161.2	-100.0%	7.9	1,161.2	-99.3%
Additions/Alterations/Repairs	189.9	81.3	133.6%	85.9	56.8	51.2%	275.8	138.1	99.7%
Residential (\$000)	189.9	81.3	133.6%	85.9	56.8	51.2%	275.8	138.1	99.7%
Nonresidential (\$000)	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Total (\$000)	9,082.6	8,335.0	9.0%	7,797.8	14,632.5	-46.7%	16,880.4	22,967.5	-26.5%
Eagle Mountain									
New Dwelling Units	69	172	-59.9%	132	170	-22.4%	201	342	-41.2%
New Residential (\$000)	8,987.5	19,487.7	-53.9%	15,574.7	19,620.3	-20.6%	24,562.2	39,108.0	-37.2%
New Nonresidential(\$000)	109.3	8.4	1201.2%	1,466.6	12.1	12020.7%	1,575.9	20.5	7587.3%
Additions/Alterations/Repairs	0.0	66.8	-100.0%	0.0	0.0	0.0%	0.0	66.8	-100.0%
Residential (\$000)	0.0	66.8	-100.0%	0.0	0.0	0.0%	0.0	66.8	-100.0%
Nonresidential (\$000)	0.0	0.0	na	0.0	0.0	0.0%	0.0	0.0	0.0%
Total (\$000)	9,096.8	19,562.9	-53.5%	17,041.3	19,632.4	-13.2%	26,138.1	39,195.3	-33.3%
Lehi									
New Dwelling Units	126	52	142.3%	139	157	-11.5%	265	209	26.8%
New Residential (\$000)	9,326.0	6,012.8	55.1%	16,300.9	13,733.4	18.7%	25,626.9	19,746.2	29.8%
New Nonresidential(\$000)	938.4	4,359.7	-78.5%	1,390.9	2,216.0	-37.2%	2,329.3	6,575.7	-64.6%
Additions/Alterations/Repairs	628.3	398.5	57.7%	1,645.1	702.4	134.2%	2,273.4	1,100.9	106.5%
Residential (\$000)	537.9	270.5	98.9%	536.4	440.0	21.9%	1,074.3	710.5	51.2%
Nonresidential (\$000)	90.4	128.0	-29.4%	1,108.7	262.4	322.5%	1,199.1	390.4	207.1%
Total (\$000)	10,892.7	10,771.0	1.1%	19,336.9	16,651.8	16.1%	30,229.6	27,422.8	10.2%

Source: Bureau of Economic and Business Research, University of Utah.

Utah County

Permit-Authorized Construction

	First Quarter (Jan-Mar)			Second Quarter (Apr-Jun)			Semi-Annual Averages		
	2001	2000	Percent Change	2001	2000	Percent Change	2001	2000	Percent Change
Orem									
New Dwelling Units	51	110	-53.6%	49	98	-50.0%	100	208	-51.9%
New Residential (\$000)	7,069.2	9,845.0	-28.2%	6,649.4	10,961.2	-39.3%	13,718.6	20,806.2	-34.1%
New Nonresidential(\$000)	19,689.6	6,240.0	215.5%	2,575.5	5,132.8	-49.8%	22,265.1	11,372.8	95.8%
Additions/Alterations/Repairs	2,442.6	8,248.1	-70.4%	4,242.0	5,602.2	-24.3%	6,684.6	13,850.3	-51.7%
Residential (\$000)	548.1	1,191.0	-54.0%	1,133.5	1,028.2	10.2%	1,681.6	2,219.2	-24.2%
Nonresidential (\$000)	1,894.5	7,057.1	-73.2%	3,108.5	4,574.0	-32.0%	5,003.0	11,631.1	-57.0%
Total (\$000)	29,201.4	24,333.1	20.0%	13,466.9	21,696.2	-37.9%	42,668.3	46,029.3	-7.3%
Payson									
New Dwelling Units	87	60	45.0%	88	59	49.2%	175	119	47.1%
New Residential (\$000)	7,553.9	5,183.9	45.7%	7,445.6	5,538.5	34.4%	14,999.5	10,722.4	39.9%
New Nonresidential(\$000)	260.3	2,510.6	-89.6%	247.2	63.4	289.9%	507.5	2,574.0	-80.3%
Additions/Alterations/Repairs	140.5	330.8	-57.5%	142.5	3,634.6	-96.1%	283.0	3,965.4	-92.9%
Residential (\$000)	97.3	104.9	-7.2%	99.8	100.3	-0.5%	197.1	205.2	-3.9%
Nonresidential (\$000)	43.2	225.9	-80.9%	42.7	3,534.3	-98.8%	85.9	3,760.2	-97.7%
Total (\$000)	7,954.7	8,025.3	-0.9%	7,835.3	9,236.5	-15.2%	15,790.0	17,261.8	-8.5%
Provo									
New Dwelling Units	164	63	160.3%	240	113	112.4%	404	176	129.5%
New Residential (\$000)	14,830.7	10,315.1	43.8%	27,643.2	13,041.9	112.0%	42,473.9	23,357.0	81.8%
New Nonresidential(\$000)	3,649.5	7,199.3	-49.3%	28,007.4	14,726.6	90.2%	31,656.9	21,925.9	44.4%
Additions/Alterations/Repairs	2,760.6	4,497.2	-38.6%	5,128.1	6,890.6	-25.6%	7,888.7	11,387.8	-30.7%
Residential (\$000)	979.5	505.5	93.8%	1,088.8	1,091.4	-0.2%	2,068.3	1,596.9	29.5%
Nonresidential (\$000)	1,781.1	3,991.7	-55.4%	4,039.3	5,799.2	-30.3%	5,820.4	9,790.9	-40.6%
Total (\$000)	21,240.8	22,011.6	-3.5%	60,778.7	34,659.1	75.4%	82,019.5	56,670.7	44.7%
Spanish Fork									
New Dwelling Units	72	71	1.4%	151	121	24.8%	223	192	16.1%
New Residential (\$000)	8,547.3	8,309.3	2.9%	16,247.3	15,098.6	7.6%	24,794.6	23,407.9	5.9%
New Nonresidential(\$000)	1,137.3	1,737.8	-34.6%	2,517.7	1,019.7	146.9%	3,655.0	2,757.5	32.5%
Additions/Alterations/Repairs	8,937.8	577.6	1447.4%	846.6	872.4	-3.0%	9,784.4	1,450.0	574.8%
Residential (\$000)	220.0	392.7	-44.0%	225.6	146.1	54.4%	445.6	538.8	-17.3%
Nonresidential (\$000)	8,717.8	184.9	4614.9%	621.0	726.3	-14.5%	9,338.8	911.2	924.9%
Total (\$000)	18,622.4	10,624.7	75.3%	19,611.6	16,990.7	15.4%	38,234.0	27,615.4	38.5%
Springville									
New Dwelling Units	93	46	102.2%	73	35	108.6%	166	81	104.9%
New Residential (\$000)	9,545.8	6,255.3	52.6%	10,103.5	5,117.4	97.4%	19,649.3	11,372.7	72.8%
New Nonresidential(\$000)	1,010.9	976.7	3.5%	975.7	14,107.1	-93.1%	1,986.6	15,083.8	-86.8%
Additions/Alterations/Repairs	1,088.1	440.8	146.8%	946.5	1,606.7	-41.1%	2,034.6	2,047.5	-0.6%
Residential (\$000)	328.4	127.4	157.8%	296.1	396.8	-25.4%	624.5	524.2	19.1%
Nonresidential (\$000)	759.7	313.4	142.4%	650.4	1,209.9	-46.2%	1,410.1	1,523.3	-7.4%
Total (\$000)	11,644.8	7,672.8	51.8%	12,025.7	20,831.2	-42.3%	23,670.5	28,504.0	-17.0%

Source: Bureau of Economic and Business Research, University of Utah.

Utah County

Gross Taxable Retail Sales

Standard Industrial Classification	1st Quarter (Jan - March)			2nd Quarter (April - June)			Semi-Annual		
	2001	2000	% Chng	2001	2000	% Chng	2001	2000	% Chng
Agriculture, Forestry & Fishing	\$597,367	\$674,846	-11.5	\$1,457,400	\$1,399,341	4.1	\$2,054,767	\$2,074,187	-0.9
Mining	428,073	981,379	-56.4	760,464	753,609	0.9	1,188,537	1,734,988	-31.5
Construction	10,716,378	8,085,687	32.5	11,128,524	15,073,718	-26.2	21,844,902	23,159,405	-5.7
Manufacturing	49,731,481	45,804,029	8.6	61,198,603	58,392,496	4.8	110,930,084	104,196,525	6.5
Transportation	1,644,825	2,040,431	-19.4	1,570,945	2,469,764	-36.4	3,215,770	4,510,195	-28.7
Communications	49,452,648	37,417,047	32.2	48,752,732	40,671,357	19.9	98,205,380	78,088,404	25.8
Electric & Gas	65,027,196	46,832,665	38.9	58,332,319	32,628,454	78.8	123,359,515	79,461,119	55.2
Total Wholesale Trade Sales	88,712,893	89,264,846	-0.6	96,237,762	97,244,418	-1.0	184,950,655	186,509,264	-0.8
Durable Goods	66,275,948	72,603,637	-8.7	77,826,068	79,426,062	-2.0	144,102,016	152,029,699	-5.2
Nondurable Goods	22,436,945	16,661,209	34.7	18,411,694	17,818,356	3.3	40,848,639	34,479,565	18.5
Total Retail Trade Sales	573,201,852	552,134,412	3.8	640,115,175	628,071,390	1.9	1,213,317,027	1,180,205,802	2.8
Building and Garden Stores	44,627,877	48,926,590	-8.8	66,181,203	67,688,475	-2.2	110,809,080	116,615,065	-5.0
General Merchandise Stores	108,769,418	98,202,974	10.8	131,932,645	117,177,845	12.6	240,702,063	215,380,819	11.8
Food Stores	116,250,801	118,208,544	-1.7	118,537,219	122,603,475	-3.3	234,788,020	240,812,019	-2.5
Motor Vehicle Dealers	110,596,897	106,839,228	3.5	128,910,140	122,444,882	5.3	239,507,037	229,284,110	4.5
Apparel & Accessory Stores	26,162,329	22,978,461	13.9	26,720,447	27,340,312	-2.3	52,882,776	50,318,773	5.1
Furniture Stores	50,181,603	50,941,854	-1.5	45,797,369	55,170,577	-17.0	95,978,972	106,112,431	-9.5
Eating & Drinking Places	58,866,426	54,904,993	7.2	60,761,515	58,372,701	4.1	119,627,941	113,277,694	5.6
Miscellaneous Retail	57,746,501	51,131,768	12.9	61,274,637	57,273,123	7.0	119,021,138	108,404,891	9.8
Finance, Insurance, Real Estate	14,750,122	13,110,191	12.5	10,413,782	13,301,660	-21.7	25,163,904	26,411,851	-4.7
Total Service Sales	107,029,957	111,561,217	-4.1	114,941,809	109,053,863	5.4	221,971,766	220,615,080	0.6
Hotels & Lodging	4,169,978	4,047,748	3.0	5,962,836	5,205,209	14.6	10,132,814	9,252,957	9.5
Personal	5,152,338	5,293,120	-2.7	5,813,728	5,521,287	5.3	10,966,066	10,814,407	1.4
Business	31,191,772	37,393,383	-16.6	30,486,720	30,696,982	-0.7	61,678,492	68,090,365	-9.4
Auto & Misc. Repair	33,418,439	31,081,921	7.5	37,223,239	35,828,694	3.9	70,641,678	66,910,615	5.6
Amusement & Recreation	14,877,792	15,090,374	-1.4	17,150,335	14,633,861	17.2	32,028,127	29,724,235	7.8
Health	3,859,603	3,581,939	7.8	4,148,508	3,700,440	12.1	8,008,111	7,282,379	10.0
Ed., Legal, Social	14,360,035	15,072,732	-4.7	14,156,443	13,467,390	5.1	28,516,478	28,540,122	-0.1
Public Administration	2,756,127	2,386,690	15.5	3,204,803	2,651,037	20.9	5,960,930	5,037,727	18.3
Private Motor Vehicle Sales	18,178,103	19,144,191	-5.0	26,869,355	25,391,680	5.8	45,047,458	44,535,871	1.1
Occasional Retail Sales	444,115	300,676	47.7	1,239,841	1,016,892	21.9	1,683,956	1,317,568	27.8
Nondisclosable or Nonclassifiable	1,410,917	1,084,189	30.1	1,975,363	1,334,138	48.1	3,386,280	2,418,327	40.0
Total	\$984,082,054	\$930,822,496	5.7	\$1,078,198,877	\$1,029,453,817	4.7	\$2,062,280,931	\$1,960,276,313	5.2

**Annual Average Only

Source: Utah State Tax Commission.

Here Comes the North American Industry Classification System

Are you prepared for a big change? If you are familiar with how businesses are assigned an industrial classification, like manufacturing or retail trade or services, then you will need to retrain your thought process. The Standard Industrial Classification (SIC) coding system, which had served this nation well since its inception in the 1930's, has become outdated. Our economy is much different now than the way it looked in the 1930's, so it's time to adjust how we classify today's businesses.

This is being accomplished with the introduction of the North American Industry Classification System (NAICS), a federal-government system that is more in tune with our new and emerging industries. It as partners with our Canadian and Mexican neighbors, as they also adopt this system. An unfortunate consequence of this needed change is that the NAICS system presents such a drastic classification change that its comparison against the historic SIC industry composition is difficult. Fortunately, total employment is comparable.

The publication of 2002 employment data will be the first time economic growth will be measured using the NAICS system. During 2000 and 2001, Workforce Services has been assigning all businesses in Utah with a NAICS classification. By 2002, there will be a year's worth of data available, and year-over accounting will be published using a NAICS format. With the publication of 2002 data, the SIC format will no longer be used. For a preview of what the economy will look like under NAICS, please refer to the table on page 15.

As Bob Dylan once penned, "the times they are a changing." So be prepared to retrain your thought process and take a fresh new look at Utah's economic makeup.

<http://www.census.gov/epcd/www/naics.html>

labor market indicators

Utah County

	First Quarter (January-March)				Second Quarter (April-June)			
	2001(p)	2000	Percent Change	Numeric Change	2001(p)	2000	Percent Change	Numeric Change
Civilian Labor Force*	175,397	167,078	5.0	8,319	175,607	168,887	4.0	6,720
Employed	170,471	162,593	4.8	7,878	170,046	164,580	3.3	5,466
Unemployed	4,926	4,485	9.8	441	5,561	4,307	29.1	1,254
<i>Percent of Labor force</i>	2.8	2.7			3.2	2.6		
 Total Nonagricultural Jobs**	 154,344				 153,969			
Goods Production	30,168				30,527			
<i>Mining</i>	75				69			
Construction	9,864				10,696			
Manufacturing	20,229				19,762			
Service Production	124,176				123,442			
Trade, Transportation, and Utilities	25,292				25,463			
<i>Wholesale Trade</i>	4,228				4,229			
<i>Retail Trade</i>	19,042				19,247			
<i>Transportation and Warehousing</i>	1,780				1,743			
<i>Utilities</i>	242				244			
Information	7,867				7,510			
Financial Activities	4,803				4,941			
<i>Finance and Insurance</i>	3,321				3,376			
<i>Real Estate and Rental and Leasing</i>	1,482				1,565			
Professional and Business Services	18,602				18,843			
<i>Prof., Scientific, and Tech. Services</i>	8,894				8,787			
<i>Man. of Companies and Enterprises</i>	1,386				1,402			
<i>Admin./Support, Wast Man./Remediation</i>	8,322				8,654			
Education and Health Services	31,267				29,306			
<i>Educational Services</i>	19,128				16,984			
<i>Health Care and Social Assistance</i>	12,139				12,322			
Leisure and Hospitality	11,457				12,206			
<i>Arts, Entertainment, and Recreation</i>	2,008				2,363			
<i>Accommodation and Food Services</i>	9,449				9,843			
Other Services	3,406				3,538			
Government	21,482				21,635			
<i>Federal</i>	1,047				1,109			
<i>State</i>	5,699				5,280			
<i>Local</i>	14,736				15,246			

Employers' Corner



Zoom in to Information about Your Local Area

Work-Life Initiatives

Work-life programs focus on helping businesses become more successful by creating workplaces that support a diverse workforce and a culture that recognizes the work-life needs of its employees. Work-life programs and policies take many different forms, but businesses that truly benefit from work-life programs are the ones that align work-life strategies with business strategies, ensuring that their primary business and productivity objectives are supported by their efforts.

Utah's labor market has become increasingly competitive. Companies are doing all they can to attract and retain the best people and build profitable, productive businesses. Successful work/life programs can have a tremendous bottom-line impact by reducing turnover, enhancing recruitment, reducing absenteeism, improving retention, productivity, morale and strengthening employee commitment.

The following list highlights some of the work-life initiatives that Utah's Top Ten Most Family-Friendly Companies make available to their employees:

- On or near site child care
- Child Care Resource and Referral Services and Classes
- Flexible benefits
- Family Resource Library
- Parenting Classes
- Personal Development Classes
- Tuition Reimbursement for employee and dependents
- Fitness Centers on-site or discounted membership fees
- Domestic Partner Insurance Coverage
- Dedicated Lactation Room
- Alternative Medicine Discounts
- On-site Health Clinic with free immunizations for family
- Sabbatical Leave
- Children's Summer Camp
- Paid Time-Off to Volunteer

For addition information, call the Office of Child Care, 801/526-4340.



The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.



Equal Opportunity Employment Program auxiliary aids and services are available upon request to individuals with disabilities. Call (801) 526-9240. Individuals with speech and/or hearing impairments may call the state relay at 1-800-346-4128.

Your local employment centers are located at:

American Fork
853 East 900 North
American Fork, UT 84003
801-763-4459

Provo North
1550 North 200 West
Provo, UT 84604
801-342-2600

Provo Turning Point
987 South Geneva Road
Orem, UT 84058
801-764-7505

Payson
910 East 100 North
Payson, UT 84651
801-465-5300

Provo South
150 East Center Street
Provo, UT 84606
801-374-7740

All our publications, and other information, are available on our website. To read, download, or print this publication:

<http://wi.dws.state.ut.us>

Click on "State, County and Local Information", select the county, and click on the first newsletter under "Publications".

To obtain additional printed copies or subscribe to this newsletter, contact:

**Department of Workforce Services
Attn: Workforce Information
PO Box 45249
140 East 300 South
Salt Lake City, UT 84145-0249**

**Telephone: 801/526-9786
Fax: 801/526-9238
e-mail: pkughle@ws.state.ut.us**

We welcome your comments, questions and feedback!